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THE SECRETARY OF STATE
WASHINGTON

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June 28, 1977
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MEMORANDUM FOR: THE PRESIDENT

FROM: Cyrus Vance *W*

1. Perez Lunch: Following his morning session with you, President Perez and I talked further at lunch about what kind of mechanisms should be developed to continue the North-South dialogue. We agreed generally that continued discussions should occur in the context of the United Nations, probably through a committee of about 30 selected by the General Assembly and that it would be well for Venezuela to speak to the Group of 77 and the US to speak to the OECD to prepare for this outcome.

We also discussed the Law of the Sea Conference with Elliot Richardson stressing to the Venezuelans the importance of their showing some movement to meet our requirements on the regulations governing the 200 mile economic zone. Elliot made clear that unless this zone could be treated like the high seas, defense considerations arise and the Senate would not ratify the treaty. Failure at this time would lead to disorder since each country would establish its own rules.

President Perez cautioned us that failure to give Puerto Rico rights to the continental shelf might create problems for us in Latin America as a result of Cuban exploitation. On Jamaica, the Venezuelans said that in view of the urgent need for assistance, it is best for each donor nation to decide what it can do on a bilateral basis and coordinate these efforts rather than trying to establish a formal assistance mechanism which would take too much time. He said Venezuela will deposit \$20 million in the Jamaica Central Bank against which bonds will be issued and will provide another \$30 million which can be drawn on for specific projects.

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2. Bonn Meeting on Multilateral Arms Transfer Restraint: We participated in a Four Power discussion in Bonn June 22 to lay groundwork on multilateral arms transfer restraint. The meeting went reasonably well.

We reached de facto agreement with the British, French, and Germans to meet again after our prospective bilateral with the Soviets. We also made some headway in developing a work program among the Four:

- The British volunteered to circulate comments on our arms transfer guidelines and to spell out their own:

- The Germans agreed to the same and proposed Bonn as the site of the next meeting:

The French did not object to our proposal to take stock in Bonn after our talks with the Soviets and they expressed interest privately in bilateral contacts on our respective arms transfer policies. They were, however, under tight instructions from Paris not to agree to anything and said they would be back to us through diplomatic channels.

In addition, we made some progress toward weakening the link our Allies have made between Four-Power action on arms restraint and Soviet willingness to go along. We maintained that Soviet cooperation was clearly a limiting factor but not a determining one. We stressed the great importance you attach to this issue. Our point to them was that our immediate concern was that they would not move in general to fill the vacuums left by our restraint.

We also reviewed with the Europeans our approach toward the Soviets: explaining to the Soviets that arms transfers are integral to our pursuit of an undifferentiated detente; and pressing the Soviets to adopt the same arms transfer guidelines we presented to the Allies -- no first introduction of advanced equipment, limitations on sensitive weapons systems, controls over co-production, and restraints upon retransfer.

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The Europeans indicated that they regarded Soviet-American conversations on arms restraint as a superpower enterprise. They were glad we had consulted them but showed no interest in associating themselves in the US-Soviet exercise at this point.

I think we can move forward in approaching the Soviets with some confidence that we have set in motion the process of Western consultation that we set out to do. If we go slowly and carefully, I think there is a chance we can develop the access to the Europeans on a continuing basis which will help us sustain the momentum of our own policy.

3. Meeting with the Jewish Community: You asked last night about the size of the July 6 meeting with representatives of the Jewish community. I understand that Zbig, Stu, and Bob decided the size of the group and the invitation list. They felt it was necessary to have a group of sufficient size in order for it to be representative.

4. Sperling Breakfast: I met this morning with the press breakfast group which Godfrey Sperling of the Christian Science Monitor assembles weekly. The questioning concentrated heavily on our policy and aims in the Middle East. Over half of the 65-minute on-the-record session was devoted to this subject. I restated our basic policy positions and noted that we welcomed the coming visit of Prime Minister Begin as an opportunity to exchange views on the best way to achieve peace in the Middle East. Other questions in what was largely an unfocussed meeting thereafter touched on SALT, your remarks about the impact of the human rights policy, and a number of other issues without significant follow-through.

5. Meeting with Exiled Argentine Leader: Warren met this afternoon with Argentine Senator Solari Yrigoyen, who was exiled to Caracas last month after being abducted, tortured, and held in prison without charges for eight months. President Perez played a role in Solari's release. Solari, a 43-year-old lawyer and journalist, is a widely known and courageous figure who apparently was jailed because of his longstanding support of human rights and criticism of government terrorism.

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Solari said he had been greatly encouraged by our human rights policy: "We see this new policy reaching our peoples over the government . . . and the people know intuitively that this helps them." Considering what he has been through, he is surprisingly moderate and responsible in his recommendations. Emphasizing that we should avoid the charge of intervention, he says that subtle signals can have great importance. As an example, he mentioned the absence of Argentina on Mrs. Carter's itinerary. Solari said he believed that Argentina's armed forces fear isolation from the United States and that if the present Argentine military rulers become isolated, they may be replaced by others committed to democratic policies.

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